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VIA FACSIMILE (212) 805-6304

The Honorable Paul A. Crotty, U.S.D.J.
United States District Court
Southern District of New York
500 Pearl Street
New York, NY 10007

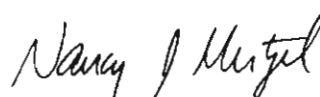
Re: South Beach Resort Development, LLC v. Z Hotel, LLC
Civil Action No. 11-CV-4329 (PAC)

Dear Judge Crotty:

We represent plaintiff South Beach Resort Development, LLC in the above-referenced action.

We previously informed the Court that the parties are in the process of negotiating a settlement. As instructed by Chambers, we write to inform the Court that the parties have exchanged drafts and comments on a proposed settlement agreement, and are working together to negotiate the details. We request that the Court continue the matter so that the parties can finalize their agreement. We will provide a further status report in thirty (30) days.

Respectfully submitted,



Nancy J. Mertzel

Cc: Christopher Jensen, Esq. (via facsimile)
Jonathan King, Esq. (via facsimile)

MEMO ENDORSED

01 NOV 2011

SO ORDERED:


HON. PAULA A. CROTTY
UNITED STATES DISTRICT JUDGE